

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Gas Company  
for authority to update its gas revenue  
requirement and base rates. (U 904 G)

Application 02-12-027  
(Filed December 20, 2002)

Application of San Diego Gas & Electric Company  
for authority to update its gas and electric  
revenue requirement and base rates. (U 902 M)

Application 02-12-028  
(Filed December 20, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

This ruling responds to a notice of intent (NOI) filed by the Natural Resources Defense Council (NRDC) on March 5, 2003. This ruling addresses the requirements of the Pub. Util. Code, Article 5, § 1804. All statutory references are to the Public Utilities Code. In consultation with the Assigned Commissioner, I find that NRDC is eligible for compensation in this proceeding.

Under § 1804(a)(1), “[a] customer who intends to seek an award under this article shall, within 30 days after the prehearing conference is held, file and serve on all parties to the proceeding a notice of intent to claim compensation.” The prehearing conference (PHC) in this proceeding was held on February 7, 2002. NRDC’s NOI is timely filed.

Section 1804(a)(2) sets forth those items that must be addressed in an NOI. Pursuant to Decision (D.) 98-04-059, this ruling must determine whether the intervenor is a customer, as defined in § 1802(b) and identify whether the

intervenor is a participant representing consumers, or a representative authorized by a customer, or a representative of a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of residential ratepayers. Once the applicable definition of customer is identified, the correct standard of “significant financial hardship” can be applied. NRDC meets the requirements of the latter definition of customer.

Only those customers for whom participation or intervention would impose a significant financial hardship may receive intervenor compensation. Section 1804(a)(2)(B) allows the customer to include a showing of significant financial hardship in the NOI. Alternatively, the required showing may be made in the request for award of compensation. NRDC makes its showing of significant financial hardship at this time. Section 1802(g) defines “significant financial hardship.”

“Significant financial hardship” means either that the customer cannot without undue hardship afford to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation, or that, in the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding.”

NRDC meets the latter definition of customer as defined in § 1802(b), thus the comparison standard applies.<sup>1</sup> NRDC is a non-profit membership organization with a long-standing interest in minimizing societal costs of reliable energy services. NRDC is organized to represent and advocate the interests of its

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<sup>1</sup> NRDC provided the relevant portions of its articles of incorporation in its NOI. At the present time, approximately 30,000 members are residential utility customers of Southern California Gas Company and San Diego Gas & Electric Company.

members who are residential customers interested in preserving environmental quality while minimizing the societal costs of providing electric and natural gas service through efficiency, renewable resources and other cost-effective alternative energy sources. NRDC's members are customers of electric, gas, water, and telephone utilities in California. While the Commission's Office of Ratepayer Advocates represents and must balance the interests of all ratepayers, NRDC represents the specific interests of environmentalists, ratepayers who would not otherwise be adequately represented in this proceeding. Participation in Commission proceedings by parties representing the full range of affected interests is important. Such participation assists the Commission in ensuring that the record is fully developed and that each customer group receives adequate representation.

A rebuttable presumption of eligibility exists for NRDC. A finding of significant financial hardship was determined in Administrative Law Judge Ruling issued on May 28, 2002 in Rulemaking (R.) 01-10-024. The applicants to this proceeding made their initial filings in December 2002, within one year of this finding. Therefore, the rebuttable presumption created in R.01-10-024 is applicable. In addition, the cost of NRDC's participation in Commission proceedings substantially outweighs the benefit to an individual customer it represents. NRDC's members are environmentalists and customers whose individual interests in this proceeding are small relative to the costs of participation. A finding of significant financial hardship in no way ensures compensation (§ 1804(b)(2)).

Section 1804(a)(2)(A)(i) requires NOIs to include a statement of the nature and extent of the customer's planned participation in the proceeding to the extent this can be predicted. NRDC has reviewed the applications, and attended

the February 7, 2003 PHC. NRDC states that it will focus on issues related to the delivery of cost-effective energy efficiency programs, renewable energy resources and other sustainable energy alternatives. NRDC intends to participate in hearings including the presentation of witnesses, and the submission of briefs and comments, as required. NRDC will continue to coordinate its efforts with other parties in order to minimize duplication of effort.

Section 1804(a)(2)(A)(ii) requires that NOIs include an itemized estimate of the compensation the customer expects to receive. NRDC estimates a total projected budget of \$31,500 for this based on proposed hourly rates that will be addressed in its Request for Compensation. The presentation of the estimate below should in no way whatsoever be construed as ruling on its reasonableness of scope, hourly compensation, or recoverability of the various costs:

**NRDC Itemized Estimate**

**Professional fees**

Sheryl Carter, Senior Policy Analyst

(100 hours @ \$150/hour) \$15,000

Devra Bachrach, Scientist

(150 hours @ \$100/hour) \$15,000

**Estimated expenses**

Postage, copies, travel, etc.

\$ 1,500

**Total**

\$31,500

Therefore, **IT IS RULED** that:

1. Natural Resources Defense Council (NRDC) has met the eligibility requirements of Pub. Util. Code § 1804(a), including the requirement that it establish significant financial hardship, and NRDC is found eligible for compensation in this proceeding.

2. NRDC is a customer as that term is defined in § 1802(b), and is a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of environmentalists.

3. A finding of eligibility in no way assures compensation.

4. NRDC shall make every effort to reduce and avoid duplication of contribution.

Dated March 7, 2003, at San Francisco, California.

/s/ DOUGLAS LONG  
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Douglas Long  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record.

Dated March 7, 2003, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

A.02-12-027, A.02-12-028 DUG/jyc